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SENATE

REPORT  
No. 93-1314

## GENERAL ACCOUNTING OFFICE ACT OF 1974

DECEMBER 10, 1974.—Ordered to be printed

Mr. HUDDLESTON, from the Committee on Government Operations,  
submitted the following

### REPORT

[To accompany S. 3013]

The Committee on Government Operations, to which was referred the bill (S. 3013) to revise and restate certain functions of the Comptroller General of the United States, and for other purposes, having considered the same, reports favorably thereon, with amendments, and recommends that the bill as amended do pass.

#### PURPOSE

The purpose of this bill is to streamline and modernize the role and responsibility of the General Accounting Office so that it may more fully utilize its resources as an arm of the Congress. Among other things, the bill restates the time frames within which the Comptroller General must audit certain accounts, transfers the "executive function" of auditing transportation vouchers and claims to the General Services Administration, and provides the Comptroller General authority for audits of certain nonappropriated funds.

#### EXPLANATION OF COMMITTEE ACTION

As amended by the committee, the bill would eliminate the strict dollar ceiling imposed on government agencies before they are allowed to employ statistical sampling procedures, and authorize the Comptroller General to prescribe limits for each agency on the dollar amount of vouchers subject to the use of statistical sampling procedures.

The bill would transfer the audit of transportation payments from the General Accounting Office to the General Services Administration. This eliminates a purely "executive function".

Presently, the General Accounting Office lacks authority to audit certain nonappropriated fund activities, such as military exchange programs. Previous investigations conducted by this committee documented the need for GAO to be given the authority to review the accounts and procedures of such activities.

This legislation would also provide permanent authority for the General Accounting Office to employ experts and consultants at the GS-18 level. The General Accounting Office currently receives an annual authorization to employ such experts and consultants in the Legislative branch appropriations bill.

S 3013 would amend various laws to provide greater flexibility and authority to the Comptroller General to audit the records and accounts of various government corporations and revolving funds.

Finally, the legislation would reduce the statute of limitations on claims and demands from 10 full years to six years. The number of such claims indicates that the reduction in the statute of limitations would not substantially affect the amount of claims submitted to the GAO; however, substantial savings in records storage costs would result.

#### SUMMARY OF HEARING

On 7 August the Subcommittee on Budgeting, Management and Expenditures conducted a hearing on the bill, S. 3013. Witnesses included the Comptroller General and representatives of the General Services Administration. The General Services Administration specifically testified as to the appropriateness of Title II (the transfer of the audit of transportation vouchers) and Title V (the authority of the Comptroller General to control the GAO building).

#### LEGISLATIVE HISTORY

Since the enactment of the Budgeting and Accounting Act of 1921, which created the General Accounting Office, numerous statutes have increased or affected the responsibility of that Office, including the Auditing and Accounting Act of 1950 and the Legislative Reorganization Acts of 1946 and 1970. The Congress has continually reinforced the fundamental principle that the General Accounting Office is "an establishment of the Government which shall be independent of the executive departments . . ."<sup>1</sup>

S. 3013 was introduced by Senators Ervin, Metcalf, and Ribicoff, on request of the Comptroller General, on February 19, 1974. The bill is a redraft of portions of legislation submitted earlier by the General Accounting Office, and introduced by the same senators (S. 2049) on June 21, 1973. A hearing was held on Title IV of that bill on August 1, 1973, in conjunction with hearings on budget control legislation. The Comptroller General and the GAO were made part of the legislative branch by statute in 1945.<sup>2</sup>

#### SECTION-BY-SECTION ANALYSIS

Title I of S. 3013 amends Public Law 88-521, approved August 30, 1964, which gives the heads of departments and agencies and the Com-

<sup>1</sup> Section 301, Budget and Accounting Act of 1921, as amended, 31 U.S.C. 41.

<sup>2</sup> Section 7, Reorganization Act of 1945, 5 U.S.C. 902.

missioner of the District of Columbia the authority to allow the use of statistical sampling in the examination of disbursement vouchers for amounts less than \$100.

The law also provides that certifying and disbursing officers acting in good faith and using such procedures are relieved of liability for improper certification of payment of vouchers that may not have been examined because of the use of a statistical sampling plan.

Title I would amend subsection (a) of Public Law 88-521 so as to eliminate the current \$100 limitation on the amount of disbursement vouchers subject to audit by statistical sampling. In its place, the bill would impose a limitation of such amount as the Comptroller General may prescribe.

The result of the enactment of this title would be to increase the number of vouchers that may be subject to audit by statistical sampling techniques. This title will result in substantial savings in both time and manpower.

The amended language authorizing the Comptroller General to establish the upper limits for disbursement vouchers that may be sampled, and to change this limit from time to time as conditions warrant, will avoid the current problem of having the limitations fixed by law.

Title II amends section 322 of the Transportation Act of 1940 to continue the statutory requirement for payment of carrier bills upon presentation. But S. 3013 moves the primary responsibility for the audit of transportation payments and the recovery of overcharges from the General Accounting Office to the General Services Administration. The responsibility for the detailed audit would be vested in the Executive branch, subject to overall review by the GAO. GAO would still retain its appellate function, enabling carriers to request the Comptroller General to review executive agency action on their claims.

The committee has amended the original bill to eliminate OMB designation of the responsible executive agency, and placed the responsibility for the audit function in GSA. However, the committee recognizes that the GSA does not now perform the audit for foreign transportation vouchers, and thus provides that the Administrator may designate another agency to carry out that function. However, the responsibility would still remain with the General Services Administration.

Employees of GAO have expressed concern about the transfer of personnel currently assigned to the Transportation Claims Division within GAO. (The legislation provides for the transfer of all records, personnel, funds, etc., involved in the audit responsibility.) The employees are concerned about job protection, salary retention, and the possible loss of personnel due to relocation outside the GAO building.

The committee, to meet these concerns, amended the title to insure that personnel transferred shall not be reduced in classification or compensation for two years after such transfer, except for cause, and that after such two year period such personnel shall be subject to the provisions of section 5337 of title 5 United States Code.

In addition, the committee amendments provide that such personnel shall be provided with training, counseling and career development and equal employment opportunity programs by the Comp-

troller General in order to effectuate a full and adequate transfer of the functions, and be guaranteed such protections and programs by the Administrator of the General Services Administration subsequent to such transfer in accordance with a plan to be established by the Administrator. The Committee is aware that such programs are already in existence in GAO and GSA. The amendments are designed to assure continued availability of these programs to the affected employees both before and after the transfer.

The bill establishes a time frame between October 1, 1975 and September 30, 1976, within which the transfer is to be mutually determined by the Comptroller General and the Administrator of General Services, with notice in the Federal Register 60 days prior to the transfer of this function to the General Services Administration. GSA shall publish in the Federal Register its detailed plan for the transfer of functions and personnel under this title. This plan shall be based upon a thorough survey of facilities available for such people, and identify GSA's plan for career development and counseling. The implementation of this plan will be under the supervision of a liaison group composed of representatives of the GAO, General Services Administration, and the Civil Service Commission.

Title III makes nonappropriated fund activities which sell merchandise or services to military or other Government personnel and their dependents, such as the military exchanges, subject to audit by the Comptroller General and gives the Comptroller General the authority to inspect records and property and to obtain copies of annual reports.

Subsection 301(a) would authorize the Comptroller General, unless otherwise required by law, to review the operations, systems of accounting and internal controls, and any internal or independent audits or reviews of non-appropriated funds and related activities within the Executive branch.

Under this section, the Comptroller General and his duly authorized representatives would have access to such documents relating to these funds and activities as is deemed necessary.

Subsection (b) would require such nonappropriated fund activities as the Comptroller General designates to furnish him, an annual report, including annual statements of financial operations, financial conditions and cash flow.

The Committee recognized that increased paperwork may result from the mandatory filing of reports of nonappropriated fund activities with the General Accounting Office. To eliminate the unnecessary paper flow to the GAO, the committee has authorized the Comptroller General to request such reports, rather than make the filing of such reports mandatory.

Title IV provides the Comptroller General with permanent authority to employ experts and consultants in accordance with section 3109 of Title 5, United States Code, at rates not in excess of the maximum daily rate prescribed for GS-18 under section 5332 of Title 5, United States Code. The committee did not accept the provisions submitted by the GAO for authority to employ experts and consultants at the rate of Level V of the Executive Schedule.

The committee has authorized the Comptroller General to employ up to ten experts and consultants for periods not in excess of three years. The committee is aware of the fact that some functions GAO is required to monitor may extend beyond the one year limitation

generally imposed upon experts and consultants. To provide continuity regarding such activities, such as program evaluations, the committee has authorized a three year limitation on the length of employment.

Title V of the legislation introduced provided the Comptroller General with authority to control the GAO headquarters building and to lease buildings or parts of buildings elsewhere. The committee has supplanted this title with a new Title V, which would provide the GAO first priority on space within the GAO headquarters building, including, if necessary, the displacement of Executive branch agencies, which now occupy almost half the space.

The committee is aware of the time and dollar investments made by the two principal Executive branch agencies which currently occupy the GAO building. However, the committee feels that it is more advantageous for the General Accounting Office to be centralized in one location, to the maximum extent feasible.

Additional functions are continuously being placed in the General Accounting Office. New responsibilities, particularly in light of the passage of the Congressional Budget and Impoundment Control Act of 1974, require that the General Accounting Office be permitted to expand its facilities in a single location. The committee expects GSA to act promptly on any future requests for space by the Comptroller General.

Title VI of S. 3013, as reported by the committee, amends the Government Corporation Control Act, the Federal Deposit Insurance Act, the Federal Crop Insurance Act, and the Housing and Urban Development Act of 1968 to provide for audits of government corporations at least once every three years instead of annually.

Title VI also removes the requirement for an annual audit from the District of Columbia Redevelopment Act of 1945 and the Federal Home Loan Bank Act.

These amendments will not dilute congressional oversight of the operations of the corporations covered in this section of the bill. The provision does not restrict an audit to only once in every three years. On the contrary, in cases where the Comptroller General determines that a more frequent audit is necessary, such audits would still be permitted and encouraged. Where good accounting standards, good management and effective internal audits are made, such continuous annual oversight by the General Accounting Office would not be necessary.

Title VII of S. 3013, as reported, deletes the requirement for an annual audit from the Federal Property and Administrative Services Act of 1949, the Housing Acts of 1949 and 1950, the Federal Credit Union Act, and the acts concerning the operations of the Bureau of Engraving and Printing, the Veterans Canteen Service, the Federal Aviation Administration, the Higher Education Insured Loan Program and the Government Printing Office.

Under this bill, the audit of these activities will be made in accordance with those principles established in the Accounting and Auditing Act of 1950. As with Title VI, this title is designed to provide GAO with flexibility in carrying out its audit responsibilities. The decision as to the frequency of the audit would be determined on an activity-by-activity basis.

Section 801 decreases from 10 years to six years after the date a claim accrues the time within which claims cognizable by the GAO may be filed in that Office. This will make the time limitation con-

sistent with the Statute of Limitations now applicable to claims filed in administrative agencies and the courts.

Section 802 provides that the reduction in time allowed for filing claims in the GAO will not go into effect until six months after enactment, and makes it clear that the enactment of the new time limit will not affect claims filed before such enactment.

Reduction of the barring statute from 10 to six years would have a significant impact on the amount of files required to be maintained by the GAO.

A recent test conducted by the GAO over a typical six-month period indicated that "all GAO records between six and ten years old could be destroyed if the statute of limitations were shortened to six years. This would result in a savings of at least \$300,000 per year, based on the storage cost savings." The destruction of GAO records is of course limited only to those records pertaining.

#### CONCLUSIONS

The legislation would revise and restate functions of the Comptroller General which are either outmoded or more appropriately done by another agency.

As a result of the enactment of the legislation, the General Accounting Office will be better equipped to meet the needs and demands of the Congress. It will be better able to shift its resources from the annual audit of many accounts to the audit of nonappropriated funds. It will be able to employ experts and consultants to design needed program evaluation techniques. Greater flexibility will increase its responsiveness to congressional needs. As a result, the Congress would be in a better position to meet its responsibilities.

#### ESTIMATED COST OF LEGISLATION

The committee expects that additional costs may arise from the enactment of this legislation as a result of the authority given the Comptroller General to employ experts and consultants at a rate not to exceed GS-18. It is impractical for the committee to estimate the exact cost, which would vary with the number of persons employed under such provisions and the period of time for which they were retained; however, since GAO has had such authority in its appropriations acts for the past several years, the increase should be nominal.

No additional costs are anticipated for the next five fiscal years with respect to Titles I (statistical sampling procedures), III (audit of nonappropriated fund activities), VI (audit of government corporations), VII (revision of annual audit requirements) and VIII (limitations of time of claims and demands).

Additional expenditures may result from the enactment of Title II (audit of transportation payments) concerning salary retention provisions and expanded employee benefit programs, and Title V (General Accounting Office Building) concerning leasing authority for the General Services Administration. It is impractical for the committee to estimate the cost of the enactment of these provisions for the next five years.

Estimates submitted by the General Accounting Office indicate that approximately \$322,000 in storage costs would be saved as a result of the reduction in the time for filing demands. The committee

a result of the reduction in the frequency of audits, and the increase in the use of statistical sampling procedures.

#### CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill as reported are shown as follows (existing law proposed to be changed enclosed in black brackets, new matter in *italic*, existing law in which no change is proposed to be made in roman) :

#### ACT OF AUG. 30, 1964

AN ACT To permit the use of statistical sampling procedures in the examination of vouchers.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [(a) That, whenever the head of any department or agency of the Government or the Commissioners of the District of Columbia determines that economies will result therefrom, such agency head or the Commissioners may prescribe the use of adequate and effective statistical sampling procedures in the examination of disbursement vouchers for amounts of less than \$100; and no certifying or disbursing officer acting in good faith and in conformity with such procedures shall be held liable with respect to any certification or payment made by him on a voucher which was not subject to specific examination because of the prescribed statistical sampling procedure, provided that such officer and his department or agency have diligently pursued collection action to recover the illegal, improper, or incorrect payment in accordance with procedures prescribed by the Comptroller General.]*

*(a) Whenever the head of any department or agency of the Government or the Commissioner of the District of Columbia determines that economies will result therefrom, such agency head or the Commissioner may prescribe the use of adequate and effective statistical sampling procedures in the examination of disbursement vouchers not exceeding such amounts as may from time to time be prescribed by the Comptroller General of the United States; and no certifying or disbursing officer acting in good faith and in conformity with such procedures shall be held liable with respect to any certification or payment made by him on a voucher which was not subject to specific examination because of the prescribed statistical sampling procedure: Provided, That such officer and his department or agency have diligently pursued collection action to recover the illegal, improper, or incorrect payment in accordance with procedures prescribed by the Comptroller General. The Comptroller General shall include in his reviews of accounting systems an evaluation of the adequacy and effectiveness of procedures established under the authority of this Act.*

*(b) Nothing contained in this Act shall affect the liability, or authorize the relief, of any payee, beneficiary, or recipient of any illegal, improper, or incorrect payment, or relieve any certifying or disbursing officer, the head of any department or agency of the Government, the Commissioners of the District of Columbia, or the Comptroller General of responsibility to pursue collection action against any such payee, beneficiary, or recipient.*

## SECTION 322 OF THE TRANSPORTATION ACT OF 1940

## DEDUCTION OF OVERPAYMENTS

SEC. 322. (a) [Subject to such standards as shall be promulgated jointly by the Secretary of the Treasury and the Comptroller General of the United States, payment for transportation of persons or property for or on behalf of the United States by any carrier or forwarder shall be made upon presentation of bills therefor, prior to audit or settlement by the General Accounting Office, but the right is reserved to the United States Government to deduct the amount of any overcharge by any carrier or forwarder from any amount subsequently found to be due such carrier or forwarder.] *Payment for transportation of persons or property for or on behalf of the United States by any carrier or forwarder shall be made upon presentation of bills therefor prior to audit by the General Services Administration, or his designee. The right is reserved to the United States Government to deduct the amount of any overcharge by any carrier or forwarder from any amount subsequently found to be due such carrier or forwarder. This does not affect the authority of the General Accounting Office to make audits in accordance with the Budget and Accounting Act, 1921 (31 U.S.C. 41), and the Accounting and Auditing Act of 1950 (31 U.S.C. 65). The term "overcharges" shall be deemed to mean charges for transportation services in excess of those applicable thereto under tariffs lawfully on file with the Interstate Commerce Commission, the Civil Aeronautics Board, the Federal Maritime Commission, and any State transportation regulatory agency, and charges in excess of those applicable thereto under rates, fares, and charges established pursuant to section 22 of the Interstate Commerce Act, as amended, or other equivalent contract, arrangement, or exemption from regulation: Provided, however, That such deductions shall be made within three years (not including any time of war) from the time of payment of bills: Provided further, That every claim [cognizable by the General Accounting Office] for charges for transportation within the purview of this section shall be forever barred unless such claim shall be [received in the General Accounting Office] received in the General Services Administration, or by his designee within three years (not including any time of war) from the date of (1) accrual of the cause of action thereon, or (2) payment of charges for the transportation involved, or (3) subsequent refund for overpayment of such charges, or (4) deduction made pursuant to this section, whichever is later.*

*(b) Nothing in subsection (a) hereof shall be deemed to prevent any carrier or forwarder from requesting the Comptroller General to review the action on his claim by the General Services Administration or his designee. Such request shall be forever barred unless received in the General Accounting Office within six months (not including any time of war) from the date the action was taken or within the periods of limitation specified in the second proviso in subsection (a) of this section, whichever is later.*

**[(b)](c)** Pursuant to regulations prescribed by the head of a Government agency or his designee and in conformity with such standards



as shall be promulgated jointly by the Secretary of the Treasury and the Comptroller General of the United States, bills for passenger or freight transportation services to be furnished the United States by any carrier or forwarder may be paid in advance of completion of the services, without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529) : *Provided*, That such carrier or forwarder has issued the usual ticket, receipt, bill of lading, or equivalent document covering the service involved, subject to later recovery by deduction or otherwise of any payments made for any services not received as ordered by the United States.

[(c)](d) The term "head of a Government agency" means any individual or group of individuals having final decisionmaking responsibility for any department, commission, board, service, Government corporation, instrumentality, or other establishment or body in the United States Government.

# GOVERNMENT CORPORATION CONTROL ACT

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## TITLE I—WHOLLY OWNED GOVERNMENT CORPORATIONS

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SEC. 105. The financial transactions of wholly owned Government corporations shall be audited by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States: *Provided*, That such rules and regulations may provide for the retention at the offices of such corporations, in whole or in part, of any accounts of accountable officers, covering corporate financial transactions, which are required by existing law to be settled and adjusted in the General Accounting Office, and for the settlement and adjustment of such accounts in whole or in part upon the basis of examinations in the course of the audit herein provided, but nothing in this proviso shall be construed as affecting the powers reserved to the Tennessee Valley Authority in the Act of November 21, 1941 (55 Stat. 775). The audit shall be conducted at the place or places where the accounts of the respective corporations are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the respective corporations and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositaries, fiscal agents, and custodians. The audit shall begin with the first fiscal year commencing after the enactment of this Act. The audit of the Federal Savings and Loan Insurance Corporation shall be conducted on a calendar year basis. *Effective July 1, 1974, each wholly owned Government corporation shall be audited at least once every three years.*

SEC. 106. [A report of each such audit for a fiscal year shall be made by the Comptroller General to the Congress not later than January 15 following the close of such fiscal year (and a report of each such audit for a calendar year shall be made by the Comptroller General to the Congress not later than July 15 following the close of such calendar year).] *A report of each audit conducted under section 105 shall be made by the Comptroller General to the Congress not later than six and one-half months following the close of the last year covered by such audit.* The report shall set forth the scope of the audit and shall include a statement (showing intercorporate relations) of assets and liabilities, capital and surplus or deficit; a statement of surplus or deficit analysis; a statement of income and expenses; a statement of sources and application of funds; and such comments and information as may be deemed necessary to keep Congress informed of the operations and financial condition of the several corporations, together with such recommendations with respect thereto as the Comptroller General may deem advisable, including a report of any impairment of capital noted in the audit and recommendations for the return of such Government capital or the payment of such dividends as, in his judgment, should be accomplished. The report shall also show specifically any program, expenditure, or other financial transaction or undertaking observed in the course of the audit, which, in the opinion of the Comptroller General, has been carried on or made without authority of law. A copy of each report shall be furnished to the President, to the Secretary of the Treasury, and to the corporation concerned at the time submitted to the Congress.

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## TITLE II—MIXED-OWNERSHIP GOVERNMENT CORPORATIONS

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SEC. 202. The financial transactions of mixed-ownership Government corporations for any period during which Government capital has been invested therein shall be audited by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States. The audit shall be conducted at the place or places where the accounts of the respective corporations are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and other papers, things, or property belonging to or in use by the respective corporations and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositaries, fiscal agents, and custodians. The audit shall begin with the first fiscal year commencing after the enactment of this Act. The audit of the Federal home loan banks shall be conducted on a

calendar year basis. *Effective July 1, 1974, each mixed-ownership Government corporation shall be audited as provided herein at least once in every three years.*

SEC. 203. **[A** report of each such audit for a fiscal year shall be made by the Comptroller General to the Congress not later than January 15 following the close of such fiscal year (and a report of each such audit for a calendar year shall be made by the Comptroller General to the Congress not later than July 15 following the close of such calendar year). **]** *A report of each audit conducted under section 202 shall be made by the Comptroller General to the Congress not later than six and one-half months following the close of the last year covered by such audit.* The report shall set forth the scope of the audit and shall include a statement (showing intercorporate relations) of assets and liabilities, capital and surplus or deficit; a statement of surplus or deficit analysis; a statement of income and expense; a statement of sources and application of funds; and such comments and information as may be deemed necessary to keep Congress informed of the operations and financial condition of, and the use of Government capital by, each such corporation, together with such recommendations with respect thereto as the Comptroller General may deem advisable, including a report of any impairment of capital or lack of sufficient capital noted in the audit and recommendations for the return of such Government capital or the payment of such dividends as, in his judgment, should be accomplished. The report shall also show specifically any program, expenditure, or other financial transaction or undertaking observed in the course of the audit, which, in the opinion of the Comptroller General, has been carried on or made without authority of law. A copy of each report shall be furnished to the President, to the Secretary of the Treasury, and to the corporation concerned at the time submitted to the Congress.

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#### SECTION 17 OF THE FEDERAL DEPOSIT INSURANCE ACT

SEC. 17. (a) The Corporation shall annually make a report of its operations to the Congress as soon as practicable after the 1st day of January in each year.

(b) The financial transactions of the Corporation shall be audited by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States. The audit shall be conducted at the place or places where accounts of the Corporation are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and all other papers, things, or property belonging to or in use by the Corporation pertaining to its financial transactions and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or security held by depositaries, fiscal agents, and

custodians. All such books, accounts, records, reports, files, papers, tody of the Corporation. The audit shall begin with financial transactions and property of the Corporation shall remain in possession and custodians occurring on and after August 31, 1948. *The Corporation shall be audited at least once in every three years.*

(c) [A report of the audit for each fiscal year ending on June 30 shall be made by the Comptroller General to the Congress not later than January 15 following the close of such fiscal year. On or before December 15 following such fiscal year the Comptroller General shall furnish the Corporation a short form report showing the financial position of the Corporation at the close of the fiscal year.] *A report of each audit conducted under subsection (b) of this section shall be made by the Comptroller General to the Congress not later than six and one-half months following the close of the last year covered by such audit.* The report to the Congress shall set forth the scope of the audit and shall include a statement of assets and liabilities and surplus or deficit; a statement of surplus or deficit analysis; a statement of income and expenses; a statement of sources and application of funds and such comments and information as may be deemed necessary to inform Congress of the financial operations and condition of the Corporation, together with such recommendations with respect thereto as the Comptroller General may deem advisable. The report shall also show specifically any program, expenditure, or other financial transaction or undertaking observed in the course of the audit, which, in the opinion of the Comptroller General, has been carried on or made without authority of law. A copy of each report shall be furnished to the President, to the Secretary of the Treasury, and to the Corporation at the time submitted to the Congress.

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#### SECTION 513 OF THE FEDERAL CROP INSURANCE ACT

##### ACCOUNTING BY CORPORATION

SEC. 513. The Corporation shall at all times maintain complete and accurate books of account and shall file annually with the Secretary of Agriculture a complete report as to the business of the Corporation. [The financial transactions of the Corporation shall be audited at least once each year by the General Accounting Office for the sole purpose of making a report to Congress, together with such recommendations as the Comptroller General of the United States may deem advisable: *Provided*, That such report shall not be made until the Corporation shall have had reasonable opportunity to examine the exceptions and criticisms of the Comptroller General or the General Accounting Office, to point out errors therein, explain or answer the same, and to file a statement which shall be submitted by the Comptroller General with his report.]

## SECTION 107 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968

## NATIONAL HOMEOWNERSHIP FOUNDATION

## SEC. 107.(a) \* \* \*

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(g)(1) The financial transactions of the Foundation shall be audited by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States. The representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Foundation and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians. The audit shall cover the fiscal year corresponding to that of the United States Government. *Such audit shall be made at least once every three years.*

(2) A report of each such audit shall be made by the Comptroller General to the Congress not later than [January 15] *six and one-half months* following the close of the [fiscal year for which the audit was made] *last year covered by such audit.* The report shall set forth the scope of the audit and shall include a statement of assets and liabilities, capital, and surplus or deficit; a statement of sources and application of funds; and such comments and information as may be deemed necessary to keep the Congress informed of the operations and financial condition of the Foundation, together with such recommendations with respect thereto as the Comptroller General may deem advisable. The report shall also show specifically any program, expenditure, or other financial transaction or undertaking, observed in the course of the audit, which, in the opinion of the Comptroller General, has been carried on or made without authority of law. A copy of each report shall be furnished to the President and to the Foundation at the time submitted to the Congress.

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SECTION 17 OF THE DISTRICT OF COLUMBIA REDEVELOPMENT  
ACT OF 1945

## ACQUISITION UNDER DISTRICT OF COLUMBIA ALLEY DWELLING ACT

SEC. 17. From and after the termination of the period of one year, beginning with the date of the approval of this Act, all authority granted by the Act known as the District of Columbia Alley Dwelling Act, approved June 12, 1934, as amended, to acquire, by purchase, condemnation, or gift, lands, buildings and structures, or any interest

therein, is hereby transferred to and vested in the Agency created by this Act. During said one-year period said authority may be exercised by the National Capital Housing Authority only for projects that shall have been approved by the Planning Commission and the District Commissioners: *Provided, however,* That failure of the Planning Commission or the District Commissioners to approve or disapprove in writing within sixty days after the submission by the National Capital Housing Authority shall be equivalent to a formal approval. Nothing contained in said Alley Dwelling Act or in this Act shall be interpreted as precluding the inclusion at any time of any alley or inhabited alley or alley dwelling or dwelling or square containing an inhabited alley in a project area to be planned, acquired, and disposed of under the provisions of this Act. Any real property acquired by the Agency under the authority of the Alley Dwelling Act may be transferred or may be sold or leased by the Agency as provided in this Act for real property acquired for a project area redevelopment. The National Capital Housing Authority is hereby declared to be a redevelopment company and is hereby granted the power to purchase or lease redevelopment areas or parts thereof from the Agency in accordance with the provisions of this Act. The National Capital Housing Authority shall keep regular books of account in accordance with standard auditing practices, covering all properties operated by it, showing detailed construction costs, management costs, repairs, maintenance, other operating costs, rents, subsidies, grants, allowances and exemptions; such books shall be subject to [annual] audit by the General Accounting Office; and the annual report of the National Capital Housing Authority shall include a summary of all transactions covered by such books and shall be made available to the public upon request.

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SECTION 109 OF THE FEDERAL PROPERTY AND ADMINISTRATIVE  
SERVICES ACT OF 1949

GENERAL SUPPLY FUND

SEC. 109. (a) \* \* \*

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[(e) The Comptroller General of the United States shall make an annual audit of the General Supply Fund as of June 30, and there shall be covered into the United States Treasury as miscellaneous receipts any surplus found therein, all assets, liabilities, and prior losses considered, above the amounts transferred or appropriated to establish and maintain said fund, and the Comptroller General shall report to the Congress annually the results of the audit, together with such recommendations as he may have regarding the status and operations of the fund.]

(e) (1) *As of June 30 of each year, there shall be covered into the United States Treasury as miscellaneous receipts any surplus in the General Supply Fund, all assets, liabilities, and prior losses considered,*

*above the amounts transferred or appropriated to establish and maintain said fund.*

*(2) The Comptroller General shall make audits of the General Supply Fund in accordance with the provisions of the Accounting and Auditing Act of 1950 and make reports on the results thereof.*

\* \* \* \* \*

## SECTION 1307 OF THE FEDERAL AVIATION ACT OF 1958

### ADMINISTRATIVE POWERS OF SECRETARY

#### Regulatory and Settlement

SEC. 1307. (a) \* \* \*

\* \* \* \* \*

#### Budget Program and Accounts

(f) The Secretary, in the performance of, and with respect to, the functions, powers, and duties vested in him by this title, shall prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended (59 Stat. 597; 31 U.S.C. 841). The Secretary shall maintain [an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with principles and procedures applicable to commercial transactions as provided by the said Government Corporation Act:] *a set of accounts which shall be audited by the Comptroller General in accordance with the provisions of the Accounting and Auditing Act of 1950: Provided, That, because of the business activities authorized by this title, the Secretary may exercise the powers conferred in said title, perform the duties and functions, and make expenditures required in accordance with commercial practice in the aviation insurance business, and the General Accounting Office shall allow credit for such expenditures when shown to be necessary because of the nature of such authorized activities.*

\* \* \* \* \*

## SECTION 6 OF THE ACT OF AUGUST 4, 1950

AN ACT To provide for financing the operations of the Bureau of Engraving and Printing, Treasury Department, and for other purposes

\* \* \* \* \*

SEC. 6. The financial transactions, accounts, and reports of the fund shall be audited on an annual basis by the [General Accounting Office and a copy of each report on audit shall be furnished promptly to the President, the Congress, and the Secretary.] *Comptroller General in accordance with the provisions of the Accounting and Auditing Act of 1950.*

## SECTION 4207 OF TITLE 38, UNITED STATES CODE

## CHAPTER 75—VETERANS' CANTEEN SERVICE

\* \* \* \* \*  
§ 4207. Audit of Accounts

The Service shall maintain [an integral] a set of accounts which shall be audited [annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by section 841-869 of title 31. No other audit shall be required.] *by the Comptroller General in accordance with the provisions of the Accounting and Auditing Act of 1950.*

## SECTION 432 OF THE HIGHER EDUCATION ACT OF 1965

## LEGAL POWERS AND RESPONSIBILITIES

## SEC. 432. (a) \* \* \*

\* \* \* \* \*  
(b) The Commissioner shall, with respect to the financial operations arising by reason of this part—

(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act; and

(2) maintain with respect to insurance under this part [an integral] a set of accounts, which shall be audited [annually by the General Accounting Office in accordance with principles and procedures applicable to commercial corporate transactions, as provided by section 105 of the Government Corporation Control Act] *by the Comptroller General in accordance with the provisions of the Accounting and Auditing Act of 1950*, except that the transactions of the Commissioner, including the settlement of insurance claims and of claims for payments pursuant to section 428, and transactions related thereto and vouchers approved by the Commissioner in connection with such transactions, shall be final and conclusive upon all accounting and other officers of the Government.

## SECTION 402 OF THE HOUSING ACT OF 1950

## TITLE IV—HOUSING FOR EDUCATIONAL INSTITUTIONS

\* \* \* \* \*

## GENERAL PROVISIONS

SEC. 402. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Secretary notwithstanding the provisions of any other law, shall—

(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended; and



(2) maintain [an integral] a set of accounts which shall be audited [annually by the General Accounting Office] *by the Comptroller General* in accordance with the [principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required] *provisions of the Accounting and Auditing Act of 1950: Provided, That such financial transactions of the [Secretary] Administrator as the making of loans and vouchers approved by the [Secretary] Administrator in connection with such financial transactions shall be final and conclusive upon all officers of the Government.*

\* \* \* \* \*

# SECTION 209 OF THE FEDERAL CREDIT UNION ACT

## ADMINISTRATIVE PROVISIONS

SEC. 209.(a) \* \* \*

\* \* \* \* \*

(b) With respect to the financial operations arising by reason of this title, the Administrator shall--

(1) prepare annually and submit a business-type budget as provided for wholly owned Government corporations by the Government Corporation Control Act; and

(2) maintain an integral set of accounts, which shall be audited [annually] by the General Accounting Office in accordance with principles and procedures applicable to commercial corporate transactions, as provided by section 105 of the Government Corporation Control Act.

# SECTION 309 OF TITLE 44, UNITED STATES CODE

## § 309. Revolving fund for operation and maintenance of Government Printing Office: capitalization; reimbursements and credits; accounting and budgeting; reports

(a) \* \* \*

\* \* \* \* \*

(c) An adequate system of accounts for the fund shall be maintained on the accrual method, and financial reports prepared on the basis of the accounts. The Public Printer shall prepare and submit an annual business-type budget program for the operations under this fund. [The General Accounting Office shall audit the activities of the Government Printing Office and furnish an audit report annually to the Congress and the Public Printer.] *The Comptroller General shall audit the activities of the Government Printing Office at least once in every three years and shall furnish reports of such audits to the Congress and the Public Printer.* For these purposes the Comptroller General shall have such access to the records, files, personnel, and facilities of the Government Printing Office as he considers necessary.

SECTION 1 OF THE ACT OF OCTOBER 9, 1940

AN ACT Providing for the barring of claims against the United States

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That every claim or demand (except a claim or demand by any State, Territory, possession or the District of Columbia) against the United States cognizable by the General Accounting Office under section 305 of the Budget and Accounting Act of June 10, 1921 (42 Stat. 24), and the Act of April 10, 1928 (45 Stat. 413), shall be forever barred unless such claim, bearing the signature and address of the claimant or of an authorized agent or attorney, shall be received in said office within [ten full] *six* years after the date such claim first accrued: *Provided*, That when a claim of any person serving in the military or naval forces of the United States accrues in time of war, or when war intervenes within five years after its accrual, such claim may be presented within five years after peace is established.

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